



Department of Justice

FOR IMMEDIATE RELEASE
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**JUSTICE DEPARTMENT APPROVES FIRST UNION/CORESTATES MERGER AFTER
PARTIES AGREE TO \$1.1 BILLION DIVESTITURE IN PENNSYLVANIA**

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division today cleared the \$16.6 billion merger of First Union Corporation with CoreStates Financial Corporation after an agreement was reached to divest 32 branch offices in Pennsylvania, offices whose total deposits are approximately \$1.1 billion.

"This divestiture ensures that small businesses and other consumers will continue to receive the most competitive loan rates and the best banking services," stated Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division.

The divestitures include 32 CoreStates branches located in Philadelphia, Delaware and Montgomery counties and Lehigh Valley.

In addition, First Union has agreed that it will not take steps to preclude other financial institutions from leasing or purchasing any bank branches that it may close due to consolidation resulting from this merger. Subject to regulatory approvals, the 32 branches and associated loans and deposits that First Union will divest will be sold to one or more competitively suitable buyers.

The proposed merger of First Union Corporation and CoreStates Financial Corporation is subject to the approval of

the Board of Governors of the Federal Reserve System. The Department said it will advise the Federal Reserve Board that, subject to divestiture of the branch offices and associated loans and deposits, the Division will not challenge the merger.

First Union Corporation is headquartered in Charlotte, North Carolina. It has 1,900 offices, with \$90.4 billion in deposits and \$144 billion in assets.

CoreStates Financial Corporation is headquartered in Philadelphia, Pennsylvania. It has 550 offices, with \$33.8 billion in deposits and \$47.6 billion in assets.

The Antitrust Division's investigation was conducted jointly with the Pennsylvania Attorney General's Office.

A list of the branches to be sold is attached.

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